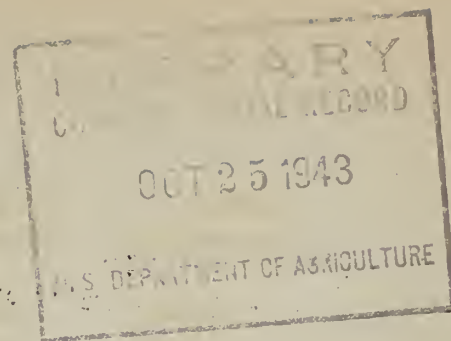


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UNITED STATES DEPARTMENT OF AGRICULTURE
Food Distribution Administration
Washington, D. C.



March 18, 1943

FISCAL DIVISION MEMORANDUM NO. B-3

To: Washington Fiscal Division and Chiefs of Regional Fiscal Divisions

From: H. O. Hart, Chief, Accounting Management Section

Subject: Refunds to Food Stamps Recipients

Attached is a memorandum addressed to Regional Administrators from J. S. Russell, Deputy Director, Food Distribution Administration, dated March 18, 1943, and an amendment to Stamp Plan Instruction No. 2, Field Operating Instructions, relative to the subject. This amendment provides for more liberal refunds than heretofore.

From the illustrations in the amendment it will be noted that a refund may be granted on the following bases when the issuance ratio is two orange stamps to one one blue stamp:

1. Where orange stamps are submitted for refund and blue stamps accompany them to the value of 50% or more of the orange stamps, the full value of the orange stamps may be paid.
2. Where orange stamps are submitted and they are (a) unaccompanied by blue stamps, or (b) accompanied by blue stamps to the value of less than 50% of the orange stamps, the amount to be refunded is the value of the orange stamps submitted, minus the difference between the value of the blue stamps submitted and 50% of the orange stamps submitted.
3. Where only blue stamps are submitted no refund will be made.

It will be noted from No. 2 above that under certain conditions the amount to be refunded might represent part of a stamp, for example:

<u>Orange Submitted</u>	<u>Blue Submitted</u>	<u>50% of Orange Value</u>	<u>Indicated Refund</u>	<u>Refund Payable</u>
\$8.25	\$4.00	\$4.12-1/2	\$8.12-1/2	\$8.00
8.75	4.00	4.37-1/2	8.37-1/2	8.25
8.75	4.25	4.37-1/2	8.62-1/2	8.50

In the foregoing examples the amounts to be paid would be as shown in the right hand column, since refunds should be based on an amount representing whole orange stamps.

The same principles will apply where the ratio of issuance is other than two orange stamps to one blue stamp.

The usual procedure should be followed in authorizing payment to the Treasurer of the United States for credit to Miscellaneous Receipt Account, 124870 (Money Received from Persons Known) for the value of any orange stamps not payable to the claimant because of a deficiency in the number of blue stamps submitted.

H. O. Hart

Attachment

F-967

March 18, 1943

To: Regional Administrators

From: J. S. Russell, Deputy Director
Food Distribution Administration

Subject: Refunds to Food Stamps

This is with further reference to the issuance of refunds to stamp recipients after retailers are no longer accepting food stamps, the subject of Mr. Kunkel's memorandum of February 13, 1943. The attached amendment to Stamp Plan Instruction No. 2, issued November 24, 1940, indicates the basis for such refunds. The new procedure will make it possible for stamp recipients to recover the full amount of the cost of unused food stamps, but will not give them the benefit of the blue stamp subsidy for stamps on hand after termination of the program.

Attachment

F-967

Amendment to Stamp Plan Instruction No. 2

Section 5: Refunds after Termination of the Program

Refunds for orange stamps submitted with blue stamps, in the proportion in which originally issued, will be made as usual. Refunds for any orange stamps submitted without blue stamps may be made, on approval of issuing agents, in an amount equal to the value of the orange stamps submitted less the value of the blue stamps originally issued with them (i.e., blue stamps which have been spent for food). Where only blue stamps are submitted no refund will be made.

Illustrations:

<u>Original Purchase</u>		<u>Submitted for Refund</u>		<u>Refund Granted</u> <u>Present Basis After Termination</u>	
\$10-Or	\$5-B	\$10-Or	\$5 - B	\$10	\$10
		10-Or	3 - B	6	8
		10-Or	1 - B	2	6
		10-Or	0	0	5
		8-Or	5 - B	8	8
		8-Or	4 - B	8	8
		*8-Or	2 - B	4	6
		8-Or	0 - B	0	4

Explanation:

* In this illustration the refund for \$4 worth of the orange stamps and the \$2 in blue is made as usual, i.e., \$4. In addition, a refund of \$2 is made for the additional orange stamps for which no blue were submitted, because the client already received the benefit of \$2 worth of blue stamps issued with those particular orange stamps. Total refund \$6.

